

# Annual Report 2023



Making good  
things happen in  
our community

Mareeba & Dimbulah  
Financial Services Limited

Community Bank  
Mareeba & Dimbulah  
ABN 53 115 503 930



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# About Us

**Our Vision:** "Passionate about, Engaging with and Investing in, our Community"

**Our Purpose:** "We work with and invest in our communities, to embrace opportunities for a sustainable and positive future"

**Our Values:** "To mirror the Bendigo Bank values - Teamwork, Integrity, Performance, Engagement, Leadership and Passion"

Mareeba and Dimbulah Community Bank Company on behalf of its owners, will ensure that it achieves its mission and strategic goals, whilst also meeting all legal and moral responsibilities.

The Board's key function is to govern the Company rather than day to day management of the banking business.

The Board's role is to gather support within the community by providing referrals and introductions, while it is the branch staffs role to convert these opportunities into business on the books.

Strengths of the board are the quality of our Directors, their local knowledge and business acumen across the group.

The Board will:

- Be responsible to the community, shareholders and Bendigo Adelaide Bank.
- Monitor compliance.
- Educate the community on the benefits of the Community Bank model.
- Review the composition of the board on a regular basis.

Role of Directors:

1. Promote our Community Bank branches within the communities.
2. Provide referrals to Branch Managers and Business Banking Manager.
3. Act as ambassadors of the Community Bank Company.
4. Attend at least one Bendigo Bank Director Education Program or conference each year.
5. Relate the Community Bank story throughout the community.

# Chairman's Report



## Overview - who we are and what we do

"Corporate social responsibility has been integrated into the culture of corporate society for the past couple of decades, so it is that we reflect on what this mean for both our community entity, Mareeba & Dimbulah Financial Services Ltd and that of our franchise partners, Bendigo and Adelaide Bank Ltd.

"Social responsibility is the responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that:

- Contributes to sustainable development, including the health and the welfare of society,
- Takes into account the expectations of stakeholders,
- Is in compliance with applicable law and consistent with international norms of behavior, and
- Is integrated throughout the organisation and practiced in its relationships." <sup>1</sup>

The message our Company has strived to convey to our customers, shareholders and community over the past decade is, how the Community Bank model is like no other. This is what Bendigo & Adelaide Bank is about, building communities, this impact continues to grow, both on balance sheet and off. In the past we've contemplated how the future financial landscape will be different, but the outcome in this past financial year in particular, is exceptionally sweet. We continue to sharpen our focus on the future direction of the company, through a dedicated focus on strategic planning and we continue to mold the strategy to what best fits our Company profile for maximising business growth now and into the future. The Board and branch activities are focused on connecting with and servicing our customers and supporting and developing the capacity of our community by working with community organisations, sporting organisations, the local council and schools. We have been able to achieves good results for the business, customers, shareholders, and the wider community, by creating good brand awareness and reinforce our reputation in the community.

The certainties we hope to achieve are not defined, while important, by the bottom line. Local opportunity and investment is the essence of what we strive to achieve, whether that is providing an opportunity for a return for investors of a local company, a vital injection of funds for programs or infrastructure projects, to the very important opportunity for employment, in a very important industry in our community. We do these things and more, through integrity, leadership, performance, teamwork, engagement and passion, the values we provide to our community and what we are about.

### **Our community contribution and doing business**

Our purpose is to work with and invest in our communities, to embrace opportunities for a sustainable and positive future. Having a firm business base is so important in achieving these ends. The company, over the last seventeen years has returned, invested and made available in excess of six million two hundred thousand dollars (\$6.2m) to our communities. The company continues to retain a cash reserve in excess of one million dollars (\$1.0m), a comfortable position, achieved by the stewardship of a competent group of directors, and a board and staff confident about the future. An important component of the Community Bank model is the telling of the success stories in our local community. We encourage all recipients of the Community Grants and Sponsorship Programs to spread the word regarding the benefits of doing business with Bendigo & Adelaide Bank, the Community Bank Mareeba and Dimbulah. We have developed a series of inhouse pictorial of community organisation we have been able to help support and raise the awareness of the Community Bank business.

### **Performance and review of the past year**

Well what a difference the last twelve month has been.... once again exceeding budget expectations and bringing total business footings over the three hundred and fifty-four million (\$354m), up from three hundred and forty-five million (345m) at June 2022, a growth of only two and a half percent (2.5%) on the previous year. Revenues are up 69% across both branches and operating costs have risen by five percent (5%), with overall profits up by thirty nine percent (39%). We have seen a significant upward movement in interest rates and margins, which has been the major driver of the return to increased revenues. We continue to see good interest in deposits with the Bendigo & Adelaide Bank brand, on the back of interest in what the Community Bank company is doing in our communities, but still the balance of the book in largely favoring deposits.

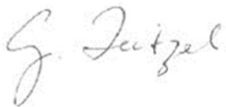
The company has contributed over ninety-five thousand (\$95,000) through our marketing development activities, but this year we invested one million three hundred thousand dollars (\$1,300,000) into the Community Enterprise Foundation® and we continue to hold about two hundred and fifty thousand dollars (\$250,000) in the Australian Sports Foundation for community sporting grant and sponsorship projects.

## Our people and our partners

It is pleasing to have Stephen Gear back in the role of Senior Branch Manager of both the Community Bank Mareeba and Dimbulah branches, again teaming up with Ann-Maree Zugno [Business Development Manager] and Beverley Dayes [Customer Relations Manager], in broadening our leadership team. Our board, the managers and staff of both branches continue the important roles necessary to build on what has been achieved to date. All staff go above and beyond their normal weekly work duties, to provide a great relationship with the community in which we all work and live. This includes being available at the branch function, each year, when the board presents certificates to the community groups who have been successful in receiving sponsorship from our Company.

Both Stephen Gear and Ann-Maree Zugno, accompanied by Nina Grant as the board representative attended the Bendigo and Adelaide Bank, Community Bank National Conference in Bendigo recently. An extract of some of the milestones appear at the end of this report. Feedback received indicated that Mareeba & Dimbulah Financial Services Limited is held in high regard by the Bendigo Bank Community Bank network, because of the achievements over the years, directly related to the stewardship of a dedicated board and the work our staff do in our communities.

As a Board we continue to maintain a firm focus on corporate governance and community impact with the aim of delivering on our Vision of “Passionate about, Engaging with and Investing in, our Community”. I cannot overstate the dedication of the directors and the valued guidance given to our Company by Graeme Ford, Frank De Iacovo, Natasha Srhoj, Charles Khan, Rhonda Stevens and Michael Hoskin who have given of their time to progress our Community Bank and I sincerely thank them for their effort, particularly those who have been with the board for the past seventeen years. Finally, I acknowledge the work of Nina Akselsen Grant, our Assistant Secretary and Public Relations Co-ordinator for the commitment and passion she brings to the position; Nina is a very valued team member with the work she performs on behalf of the board.



Gilbert Teitzel

<sup>1</sup> International Organization for Standardization’s Guidance Standard on Social Responsibility, ISO 26000, published in 2010

### **Extract of comments from the Bendigo Bank CEO, Marnie Baker from the Bendigo Community Bank® Conference.**

“This conference celebrates our one-of-a-kind shared value, Community Bank model. I’m looking forward to getting everyone together, to celebrate 25 years of the model and to work together on ensuring its success for the future. The economic boost has arrived as Bendigo Bank CEO and Managing Director Marnie Baker revealed the Bank’s unique Community Bank model has distributed over \$320 million in profits back into the communities they operate in through sponsorships and grants since inception 25 years ago. “Over financial year 2023 alone, Community Bank branches have generated a record \$32.9 million and funded 6,215 local projects. There are 309 Community Bank branches delivering banking services right across Australia and we are proud of the social and economic impact our Community Bank model has achieved in each of these communities,” Ms Baker said.

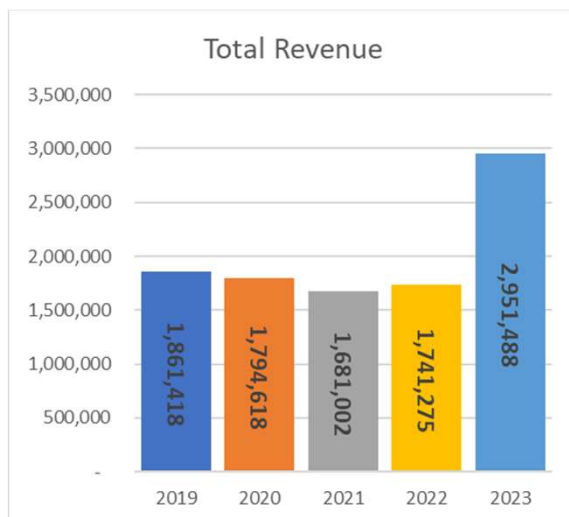
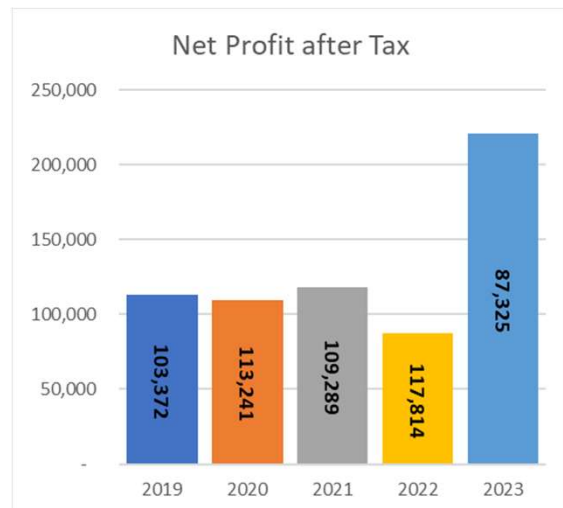
# Treasurer's Report



The revenue of the company increased by 69.5% from \$1.74 million in 2022 to \$2.95 million in 2023, while our total expenses grew by 65.1% from \$1.69 million to \$2.73 million, due to our increased contribution to Community Enterprise Foundation.

## Operating results

The start of the financial year saw the Reserve Bank of Australia raise the cash rate in 8 consecutive periods from 0.85% to 3.60% by March 2023, closing the financial year with a cash rate of 4.10% following further raises in May and June 2023. With the Company maintaining similar business footings in Mareeba and Dimbulah, these rate increases flowed through the Company's profit share from Bendigo and Adelaide Bank leading to increased revenue.

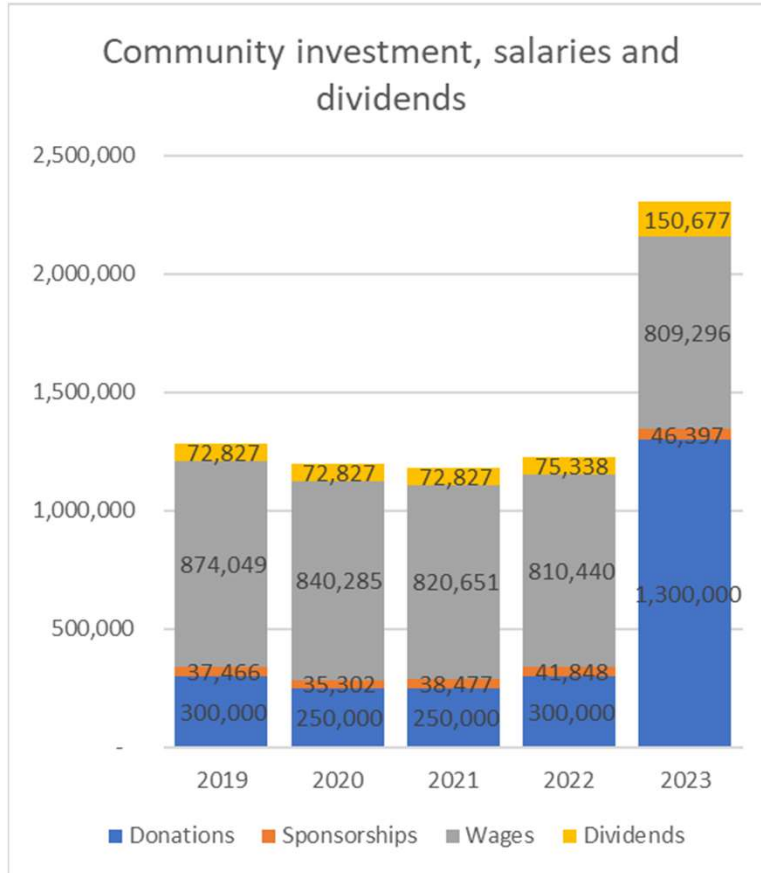


## Dividends

In December 2022, the Company paid a full franked dividend of 7.25 cents per share based on the performance of the 2022 financial year.

The Directors have determined that a fully franked dividend of 15.0 cents per share will be paid for the 2023 financial year, which is to be paid in December 2023.

## Investment in Our Community



In 2023, the company was able to contribute a further \$1,300,000 into the Community Enterprise Foundation (CEF) for future grant opportunities, up from \$300,000 in 2022. The board also paid a further \$46,000 in sponsorships to local community groups through our sponsorship round whilst increasing dividend payments to shareholders, bringing the total investment to our community to \$2.3 million for 2023.

Michael Hoskin  
Treasurer



# Manager's Report



It's true that once a Community Bank customer, always a Community Bank Customer. We value each and every one of our customers, who entrust us with their Banking. Bendigo and Adelaide Bank is one of Australia's 5th largest retail bank with the vision to be Australia's Bank of Choice.

Reflecting on the year that has been, again the overwhelming theme has been change. We have seen long term staff members change their roles. Kristie-Lee Bishop moved on to find a new career outside of banking and Bev Dayes stepping into a predominantly Lending Role with the Community Bank Mareeba and Dimbulah branch. This allowed me, Stephen Gear, to move back to the Community Bank Mareeba and Dimbulah branches, as Senior Branch Manager in January 2023 after a 3-year term in Business Banking. We also had Hannah Bell start leave in January 2023 and Sara Teitzel extend her leave for a further 12 months, allowing other staff to progress in their careers with Community Bank Mareeba and Dimbulah. We welcomed Rachael Bilic to Community Bank Mareeba from the Dimbulah branch to be a part of the Senior Staff and also welcomed Desarae Turnbull to our Dimbulah branch, Meleta Paton went from part-time to full-time and Kerri Iacutone move from the Dimbulah branch to the Mareeba branch.

With all these changes across both branches, we have also welcomed many new customers to our Community Bank and have a total of 6,629 customer across the Mareeba and Dimbulah branches. This year, it was pleasing to see the branch meet nearly all its set budgets for the year. The only disappointment was the home lending results, which was affected by a couple of aspects outside of our control, however both branches managed to grow their total footings by \$9.225 Mil.

## **Financial Year Total Business - Community Bank Mareeba and Dimbulah**

2017-2018 - \$263.7 Million

2018-2019 -\$266.6 Million

2019- 2020 - \$282.4 Million

2020- 2021 -\$305.10 Million

2021 -2022 -\$344.7 Million

2022-2023 -\$354.00 Million

Mareeba & Dimbulah Financial Services Limited has return \$ 58,450 in Sponsorships \$198,580 in Grants which is a total of \$257,030 back to our community this financial year. We really do live in a fabulous community.

A huge thank-you to the loyal and dedicated staff of the branches for their ongoing commitment to assist every customer. Without them, banking at Community Bank Mareeba and Dimbulah branches would be very different. We would also like to thank the Bendigo Bank staff, Leah Weekes the Regional Manager and Grant Turner from Rural Bank for their support. To the Business Banking Team lead by Harriet McLennan and last but not least our Regional Manager, Kieran Herlihy who is always there to support the Board, myself and the Team whenever required. I would like to also thank the Board for their encouragement and support as their Senior Branch Manager over the last 6 months, and the support provided to the branch teams, this is more than anyone could wish for.

Stephen Gear  
Senior Branch Manager

# Business Development Manager's Report



Agriculture growth in our local area continues to expand however, it has not been without its challenges. From July 2022 through until the end of June 2023, pricing fluctuations across the entire industry have impacted the farmers.

In July 2022 it was reported that the Mareeba Saleyards broke four (4) sale records, with cattle sales at an all-time high. Sales levelled out and pricing dropped back as more cattle were brought into the market, contributing to the current lower prices.

The situation has been very similar across many of our industries, including the avocado industry which experienced an oversupply of produce leading to lower-than-expected returns. To combat a repeat of these lower returns, industry has been working hard to develop alternative markets and improvements to crop projections.

On a more positive note, the sugarcane industry, through increased global demand, is experiencing strong results and high pricing levels. All of which is expected to remain in place through 2024.

Despite the challenges, the Mareeba and Dimbulah Community bank agriculture customer base continued to grow through 2022-2023. The portfolio base as at 30 June 2023 was, \$34.260 million and it is anticipated this will continue to grow throughout 2024.

A large part of this growth was in the Rural bank agricultural portfolio. Early on, the Mareeba and Dimbulah Community Bank board recognised the agricultural sector as a growth area in our region. This understanding of the business and the benefits it would bring accelerated the need for an accredited Agri-Access lender across both branches. The role is supported by our Agribusiness Relationship Manager and the results reflect the strong working relationship between the two.

The expectation over the coming twelve-month period is for this trend in agricultural growth to continue with a broader demand globally for Australian produce. Mareeba and Dimbulah Community Bank are well positioned for this growth, and I look forward to further supporting our customers as they look to further expand their operations.

Ann-Maree Zugno

# Bendigo and Adelaide Bank Report

Community Bank Report 2023

BEN Message

August 2023

Community and customer will always be at the heart of what we do at Bendigo and Adelaide Bank.

Together, we're seeing up Community Banking for the future - growing our impact as a leading social impact movement to transform communities across Australia.

As we continue to evolve to meet the needs of our customers, we should feel proud that more Australians are choosing to do their banking with us and trust us with their financial goals. Our position as Australia's most trusted bank (Roy Morgan) reflects the esteem we are held in by our customers, and communities.

This year has been particularly significant for us. After five years apart, we had the opportunity to come together in person and connect through our State Connect program and in Bendigo at our National Conference in September. It has also been a record-breaking year for Community Bank with more than \$32 million invested into local communities nationwide. This is our highest year on record and underscores our ongoing commitment to our customers and communities.

Reflecting on the 25 years since we opened our first Community Bank, I'm so grateful to the hard work of many passionate Directors (past and present). Everything we have done and continue to do is focused on our purpose to feed into the prosperity of our customers and communities, not off it.

On behalf of the Bank, thank you for continuing to play an essential role in supporting your community. I look forward to seeing us grow together and make a positive impact for generations to come.

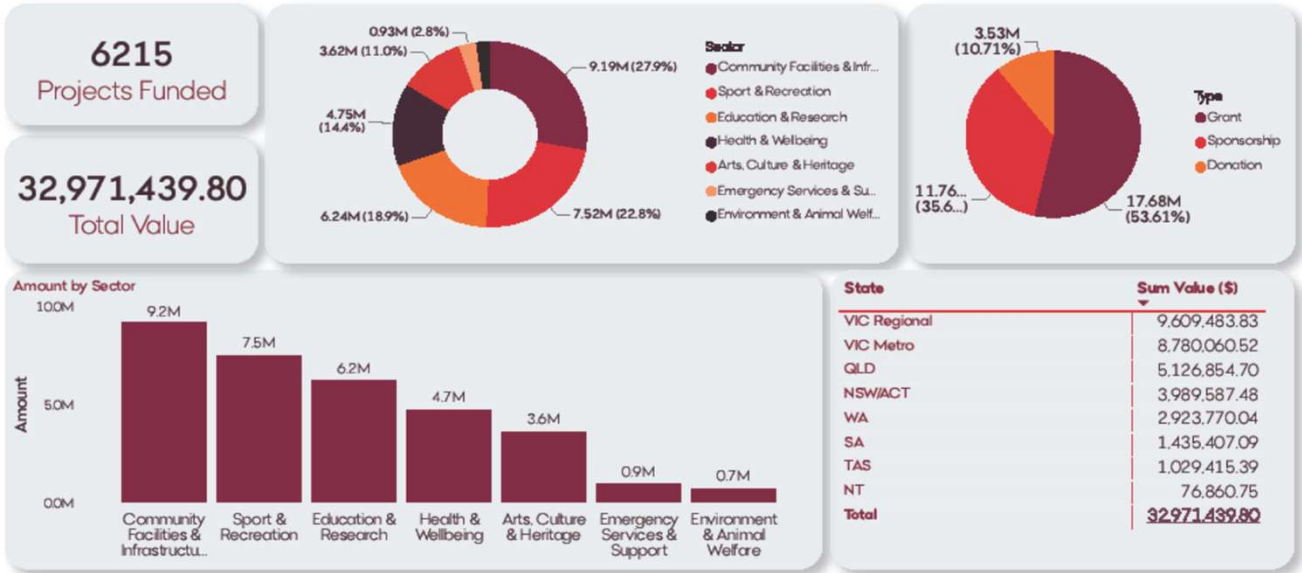
Warmest regards,

**Justine Minne**

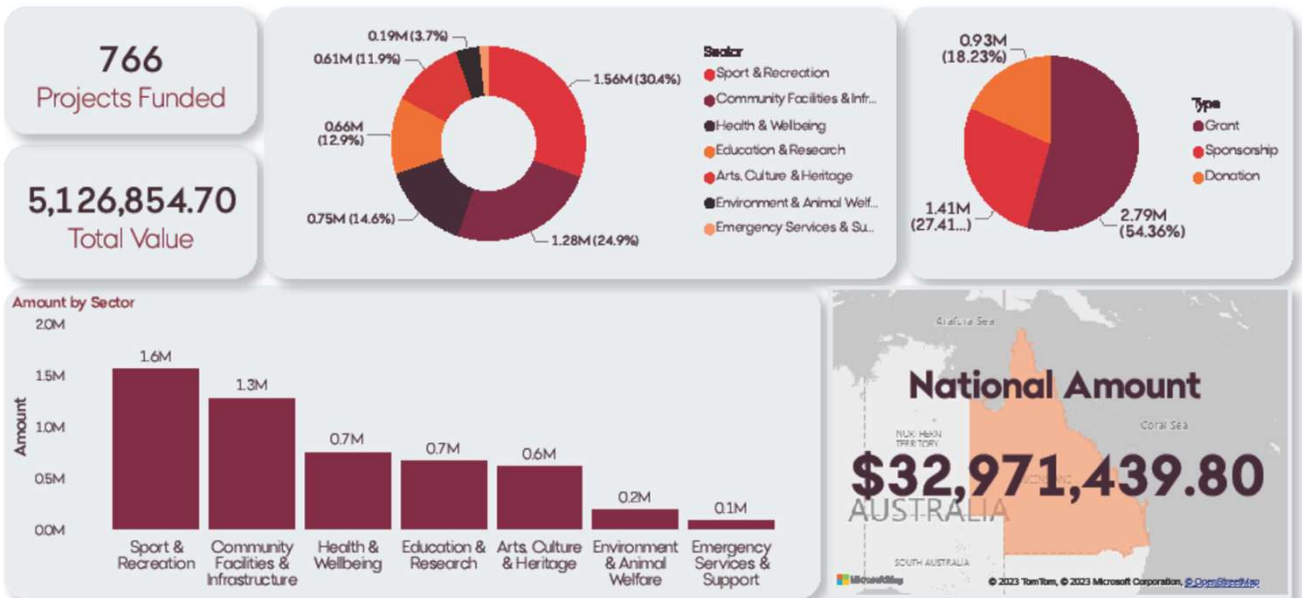
**Bendigo and Adelaide Bank**

# Community Contributions

## National Community Contributions



## QLD Community Contributions





# Governance Report

Our governance framework provides for the oversight of decision-making, actions and behaviour to ensure we live our values, focus on our vision and align with our purpose.

## The Board



### **About our directors**

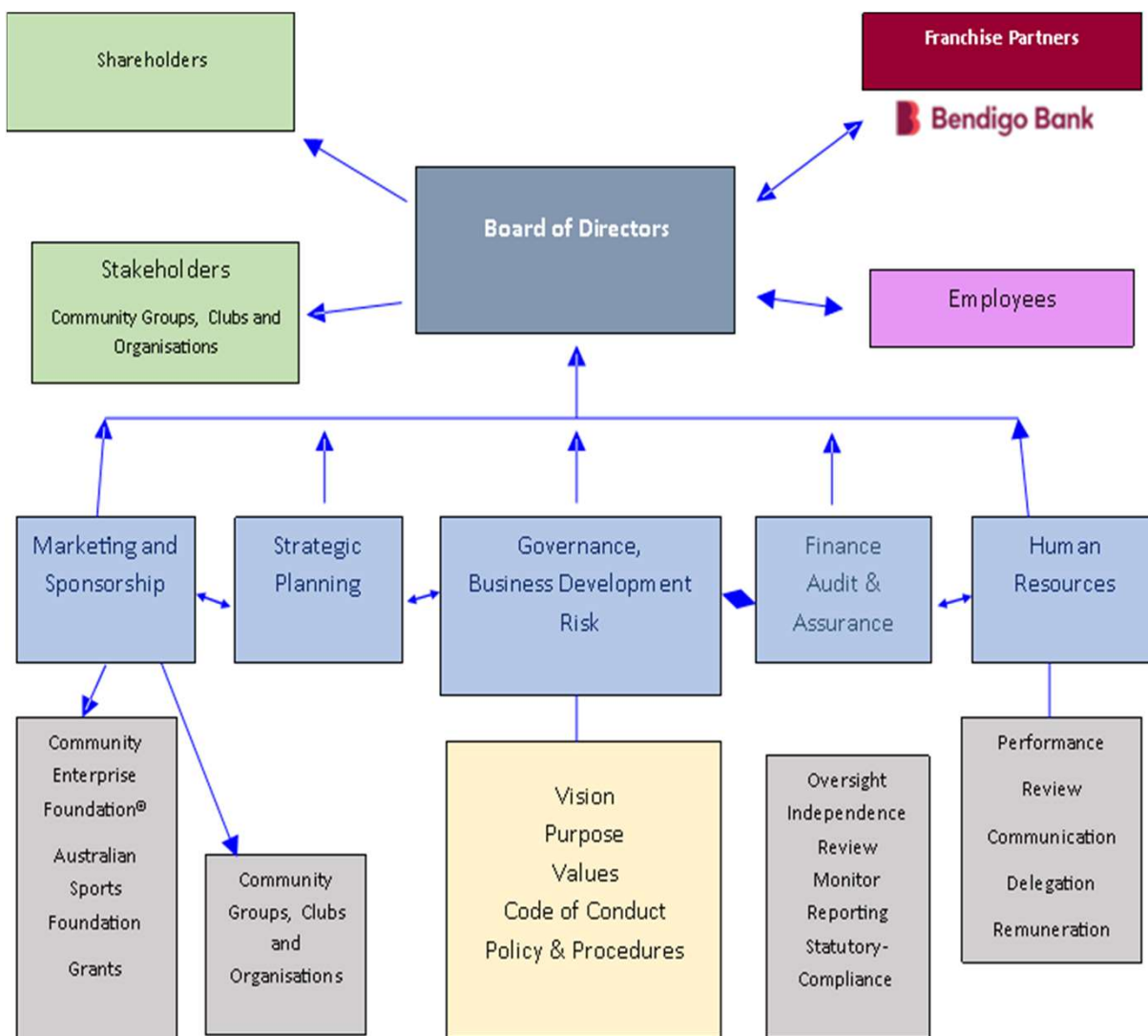
These dedicated individuals, from varying backgrounds in our community, make up the board members of Mareeba & Dimbulah Financial Services Limited. Information about each is set out below and in the Annual Financial Report each year.

All Directors are non-executive Directors, who's independence is assessed on an annual basis. For this purposes, each Director is a non-executive Director who is free from any business or other association – except as otherwise reported in the Annual Financial Report and declared annually – that could materially interfere with the exercise of their independent judgement.

## The Governance framework

The board of a company has a significant role in achieving the company’s purpose and goals. The board has the onus to act in the best interests of the company’s shareholders. The board is accountable to its shareholders and also to stakeholders in the community in which it supports. Sound overview by a strong and balanced board is vital in addressing a company’s strategic direction. By such governance the board can fulfil its moral and legal responsibilities and also allow management to carry out its role within defined parameters without the day to day intervention of the board.

## Corporate Structure





## **The Role of the Board**

The areas this board has identified that are relevant for a governance framework to enable it to make effective decisions are:

- To provide strategic leadership, to proactively move the company's business forward and address emerging issues.
- To encourage a diversity of opinion and views where collective, rather than individual decisions are made, that assures stakeholders that the board is fulfilling its responsibilities with due diligence and accountability.
- To identify and understand:
  - the key duties and responsibilities of an organisation's directors and officers
  - the role of committees
  - the role of external audit
  - risk assessment from the perspective of the board and individual board members.
- To provide a future focus rather than a present focus.
- To adhere to a clear distinction between the board and Branch/Operations managers' roles; and
- To be proactive rather than reactive to changes in the business environment.

## **The Role of the Board Committees**

To maximize its effectiveness, the board has implemented sub-committees, from which groups of individuals make decisions and recommendations for the board to approve; these sub committees include:

### **Governance, Business Development and Risk Committee;**

- To adhere to good corporate ethics with a sense of duty to act in good faith and in the best interests of the company.
- To provide performance reports to stakeholders on a timely basis.
- To be aware of good corporate governance issues.

To make known to stakeholders the company's governance process and to report on the board's adherence to its corporate governance policies.

The Board recognises the opportunities to further develop and grow the business within our area. We aim to initially focus on the growth of enterprise within our community, however our longer-term vision is to focus on enhancing the prospects of our broader district. We acknowledge the role the community company can play in assisting and developing local enterprise within the area and will actively embrace this role within the district.

**Accordingly, the Board commits to:**

Undertaking a thorough planning process prior to proceeding with business expansion.

Consulting our shareholders, who are representative of the community, to ascertain their needs.

Recognizing our shareholders commitment to the establishment of the business by payment of a shareholder return, prior to broadening the structure to encompass potential business expansion.

Balance our existing business needs and responsibilities to our shareholders and the community, with the goal of expanding our business to stimulate further economic growth within the region.

Looking beyond banking at opportunities that will enhance opportunities within the district.

Work in partnership with Bendigo Bank to further expand the business, ensuring that future business expansion opportunities have the prior approval of Bendigo.

**The Board will only consider business expansion opportunities that:**

- Introduce new and enhance existing services within our community.
- Provide us with greater control over services we currently do not have control over.
- Provide the ability to generate returns and capital to the district.
- Provide facilities or services that facilitate valued social outcomes within the community.
- Are ethically and morally consistent with our community's goals and objectives.

The Board is responsible for overseeing the establishment, implementation, review and monitoring of risk management systems and policies. It has established an integrated framework of committee policies and controls to identify, assess, monitor and manage risk. Executive management is responsible for implementing the policies and controls.

There are a number of policies that establish and support the risk management system, including the following Risk Management Principles and Systems Description.

- Branch Staffing
- Regulatory Compliance
- Strategic Objectives
- Community Aspirations
- Business Continuity Management

These themes are mindful of the importance of maintaining an open relationship with Bendigo Bank with respect to the boards Code of Conduct, issues around Privacy and Occupational Health and Safety .

## **Sponsorship & Marketing Committee;**

Sponsorship is recognised as the purchase of tangible potential rights and benefits associated with an event, entrant, or organisation, which results in increased brand awareness, communication of key messages and increased customer base.

### **Guidelines**

Recipients engaged in legal activities that are considered acceptable by normal community standards.

Sponsorship must align and be consistent with Bendigo Bank's corporate image and identity as a community-based organisation. Staff and families of Community Bank branches are eligible for sponsorships of their community organisation if there are justifiable business reasons and tangible benefits are returned to the Community Bank branch.

### **Assessment**

To assist Boards and Branch/Operations Managers evaluate the value of a sponsorship and identify if the sponsorship is successful and worthwhile continuing, attached is the Bendigo Bank's sponsorship review formula and sponsorship review form. The form also highlights the specific areas that may need attention to generate greater sponsorship values.

This process involves two methods of evaluation, a qualitative assessment and a financial assessment, to enable a fair appraisal of the overall value of the sponsorship.

### **Qualitative Assessment**

The Qualitative Assessment is to be undertaken by a minimum of three people, preferably the Branch Manager and two directors. Each person will independently complete their own review. Questions are to be answered according to a scale from 1 – 5, with 1 demonstrating a poor score and 5 demonstrating an excellent score. All completed Review Forms are then to be discussed by the Board Sponsorship Committee. Five questions are provided in each category with points allocated to determine an overall rating. There is also space for comments.

### **Financial Assessment**

The Financial Assessment is to be undertaken by the Branch Manager in conjunction with the Board Sponsorship Committee. Costs included in this review include the sponsorship cost, materials cost, printing, signage and freight, travel and accommodation, etc. It is important that sales performance and sales value for the year is also provided. The true financial investment in the sponsorship cannot be identified without all costs and income being accounted for.

## **Finance and Audit Committee;**

The Board recognises the position of public trust it has accepted as the governing body of the Community Bank. The Board also acknowledges their role as a custodian of Bendigo Bank's assets in regard to the franchise. The Board will ensure that the company's and Bendigo's assets are protected, adequately maintained and not unnecessarily risked. The Board acknowledges the importance of making prudent financial decisions and acting in line with the Board's goals and objectives.

### **Accordingly, the Board commits to:**

- Set an annual budget and actively monitor the budget, compared to actual performance, on a monthly basis.
- Review the budget on a six-monthly basis and revise the budget forecast as required.
- Develop and implement a procedure to ensure the ongoing monitoring of the financial position of the company by the Board, the Branch Manager and Bendigo Bank.
- Utilize specialist advisers as required.
- Further the education of directors as required to ensure a full understanding of the financial position of the company.
- Use company funds to further Board approved purposes and priorities.
- Only spend funds that have been received in the financial year, unless offset by Board approved borrowings or withdrawals from reserves.
- Seek shareholder approval for capital expenditure over \$1m where the proposed investment is a material change to the company's structure.
- Pay staff in accordance with their employment contracts.
- Ensure that tax or other government payments or returns are paid on time and filed accurately.
- Assertively pursue overdue receivables.
- Ensure there are adequate controls in place for Board members and staff with delegated expenditure authority.
- Comply with Australian Accounting standards

The Audit Committee assists the board by providing oversight of the company's financial reporting responsibilities, including external audit independence and performance. The Audit Committee is responsibilities include:

- Reviewing the half-year and full-year statutory financial reports for recommendation to the board;
- Reviewing significant accounting estimates and judgements used for the preparation of the financial reports;
- Reviewing and approving any new or proposed changes in accounting policies;
- Monitoring developments in statutory reporting, accounting and disclosure requirements; and
- Reviewing the effectiveness of the internal control and risk management framework.

## **Human Resources Committee;**

The Board recognises the role of the Branch/Operations Manager and acknowledges that the Branch/Operations Manager is responsible for the day-to-day operations of the business. Accordingly, the Board delegates the following authority to the Branch/Operations Manager. Authorities as outlined in the Franchise Agreement and undertaken as part of the Manager's role.

- Overall management of the branch, and all operational functions within the branch structure.
- Commitment and authorisation of regular accounts payable up to \$2,000.
- Providing comments to the media, subject to prior approval by the Chairman and Bendigo Bank.
- Reduction or waiver of fees up to \$1,000 in order to win banking business.

### **The Board commits to**

- Regularly reviewing the performance of the Branch/Operations Manager, in conjunction with Bendigo, against stated objectives and goals.
- Maintaining open communication lines between the Board and the Branch/Operations Manager and encouraging active communication from the Branch/Operations Manager to the Board.

The Board also acknowledges the authority delegated to the Branch/Operations Manager by Bendigo to make operational decisions up to \$2,000 on behalf of the company, and the potential risk to the company in the event of a loss as a result of a decision made by the Branch/Operations Manager. Further, the Board also recognises that decisions made by the Branch/Operations Manager without the prior approval of Bendigo place the company at risk in the event of a loss to the branch.

The Board recognises that the staff of the community company are integral to the success of the Community Bank. The Board values the contribution made by the staff and the role that they play as ambassadors of the Community Bank. The Board acknowledges that the primary contact with the staff is through the manager, however the Board will ensure that all staff have the opportunity to approach the Board as required.

### **Accordingly, the Board commits to:**

- Treat staff with respect and equality and at all times be fair and equitable in dealing with staff.
- Set clear objectives and goals for staff that contribute to the overall success of the company.
- Review these objectives and goals formally on an annual basis.
- While recognizing the staff are seconded employees of Bendigo Bank, review staff remuneration on an annual basis, current market conditions and practices across the Community Bank network.
- Provide staff with the opportunity to further their individual aspirations as part of their career development.
- Regularly review the training requirements of our staff and ensure that appropriate training programs are in place.
- Provide a satisfying and rewarding workplace that, time and resource permitting, allows staff to participate in projects and activities which contribute to the enhancement of our community and district.
- Adopt Workplace Diversity and Occupational Health and Safety policies and review the policies on an annual basis.
- Ensure compliance with all regulatory requirements.

## **Remuneration**

The policy applies to each director who is an independent director, that is, not an employee of Bendigo & Adelaide Bank Limited. The fees payable are not related to performance of the company, but attendance and contribution to meetings and the business of the company, as appropriate. The power of the board to pay a remuneration/meeting attendance fee is contained in clause 53 of the Company's Constitution.

## **Understanding of the requirements for this policy introduction**

The following three policies points are to be included in this overall policy document. These are adopted policy across all Community Banks. To ensure transparency is maintained throughout the process these points are adopted within Mareeba & Dimbulah Community Bank policy. The payment of any remuneration/meeting attendance fees to directors is made after the following considerations by the board:

- The Company must have sufficient Surplus Capital to ensure future stability of The Company and provision of sufficient reserves for future objectives;
- The Shareholders have been rewarded on a commercial, but not excessive, basis for their contribution of Capital to the Business; and
- The Company has contributed to Community Projects, with an overall focus on building the community's future prosperity and capacity.

## **Reasons for a policy to pay Remuneration**

- The time and responsibility provided by directors to the month to month managing of the company and the 2 Branches. The Mareeba and Dimbulah Community Bank branches
- There is an increased demand on time, for direct support and attendance with branches at "Community Partnership" arrangements to work towards and to both maintain and increase Community Bank awareness within the Community; and
- The increasing demand on Community Bank director's time from Bendigo & Adelaide Bank Limited with collaborative marketing and related projects.

## **Strategic Planning Committee;**

The Board recognises its responsibility to the shareholders to set the strategic direction of the company. The Vision, Purposes and Values statements form the foundation that the strategic platform of the company is built on.

## **Accordingly, the Board commits to:**

- Articulate the company's strategy to shareholders, Bendigo and the community on a regular basis.
- Ensure the company's Values are consistent with community's needs, the community enterprise philosophies, Bendigo and the broader Community Bank network.
- Monitor and review the Purpose, Vision and Values annually.
- Ensure the essence of the Community Bank philosophy is maintained in line with the community's goals.
- Maintain relevance within the community by identifying and supporting the community's needs on a short and long-term basis.
- Ensure the Purpose, Vision and Values flow through all the activities of the company.
- Develop an annual strategic plan which sets the basis for the branch budget.
- Regular monitoring of the strategic plan and branch budget.

The use of these subcommittees will enable the workload to be balanced amongst the entire board in areas where individuals have and bring particular skills to that sub-committee;

- promoted an environment in which personal and board risk is understood, articulated and managed from a basis of sound governance policy and a risk management framework;
- investment in individual director and board education and training;
- encouraged a diversity of opinions and views as a means towards effective decision making by the board;
- adhered to a clear distinction between the board and Branch/Operations managers' roles; and
- recognized the views of our franchise agreement partner, Bendigo Bank Limited, in board discussions and to utilize its experience.

## **Reporting to our Shareholders**

The Board recognizes that a cornerstone of the Community Bank concept's success is the ownership by the community, which is integral to driving business into the structure. While the model is co-operatively spirited, it is commercially based, and the Board recognizes the need for ongoing broad based community ownership to ensure the long-term commitment of the community and success of the business. Furthermore, the Board acknowledges that broad based community ownership is essential in defining the services required within the community.

The Board places great importance on maintaining a strong relationship with our shareholders and keeping shareholders informed of the progress of the community company. The Board acknowledges responsibility to the shareholders in a legal sense and has identified the future benefits in marketing and developing business with the shareholder base. The shareholders are the owners of the business and a representative sample of the community. The Board will gather information about their shareholder's needs, concerns, and aspirations, and remain up to date on matters concerning their shareholders' interests.

The Company is a public company registered with ASIC and is considered to be an unlisted disclosing entity not listed on any Stock Exchange. The company maintains its own share register through a share registry services group, AFS Share Registry Services, in Bendigo, via the Low Volume Market share trading process. Shareholders are able to login to the share registry website to review and update information at <https://www.registrydirect.com.au/login/afs-associates-pty-ltd/mareeba-dimbulah-financial-services-limited/>.

Unlisted disclosing entities are subject to continuous disclosure obligations that require them to make material information available to investors as soon as practicable after having become aware of it.

### **Engaging with and Investing in our Community**

The Board acknowledges the responsibility between recognizing the significant investment the shareholders have made through their commitment to the structure, ensuring adequate reserves are in place to broaden the community enterprise, further expand the banking business and return profits to community projects.

### **Accordingly, investing in the community through profit distribution will be considered on the following basis.**

- Adequate reserves of capital are in place to ensure the ongoing viability and the expansion of the business.
- Returns to shareholders will be on a commercial, but not excessive, based in line with the Franchise Agreement.
- Projects undertaken will enhance and promote new infrastructure and services, along with building the capacity to enhance development and other beneficial opportunities within the community.

### **Contributions to Community Projects will:**

- Add value to the community.
- Represent a tangible positive benefit.
- Protect the integrity of the Community Bank, the Community Bank network and Bendigo Bank.
- Be relevant to the wider community.
- Be non-politically motivated.
- Be consistent with the statements made to the community during the initial community banking™ campaign.
- Be considered in line with further enhancing our community's opportunities through a range of beyond banking initiatives and expanding the banking operation of the business.
- Funds distributed to a trust or another organisation will be bound by the ethical and moral standards of the community company.



## Economic, Environmental and Social Sustainability

We discuss economic sustainability risks in the business through our governance committee meetings, particularly in light of our position of having little or no real control over revenue streams based on pricing of product, such that Bendigo Bank and its related entities do have.

Environmental sustainability includes our direct impacts on the environment and our indirect impacts through the activities of our franchise partners lending and other financial intermediary activities. Our business, like the Bendigo Bank (and associated entities) is committed to:

Actively identifying environmental and climate risks and reporting these.

Actively identifying opportunities to reduce our environmental footprint.

Assisting our staff, customers, partners, shareholders and communities to identify opportunities to reduce their environmental footprints and to be better prepared for future climate risks.

Considering the physical environment and future environmental and climate conditions in all relevant business decisions.

Considering the impact of climate risks on the performance and sustainability of the business, and the communities we influence.

Social sustainability underlies everything we do. Our purpose is to feed into the prosperity of our customers and our communities, not off it.

Where relevant, we consider the social, climate and environmental outcomes of the business decisions we make.

*In all things the board shall be transparent in its dealings and have strong corporate governance focus. The board will adopt corporate governance policies and procedures that will guide Mareeba & Dimbulah Financial Services Limited into the future*

# Director's Profile



**Gilbert James Teitzel - Chairman - Appointed 28th July 2005**

Committees: Governance & Business Development Committee, Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee.

Gilbert is a Certified Practicing Accountant and an Associate Member of the Governance Institute of Australia



**Gianfranco De Iacovo - Vice Chairman - Appointed 28th July 2005**

Committees: Marketing & Sponsorship Committee and Strategic Planning Committee.  
Frank is a business owner



**Rhonda Annette Stevens - Secretary - Appointed 21st November 2018**

Committees: Governance & Business Development Committee, Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee and Public Relations.

Community involvement; Mareeba Turf Club, Days for Girls, Diploma of Financial Services, Diploma of Accounting, JP Qualified



**Michael Peter Hoskin - Treasurer - Appointed 21st December 2017**

Committees: Chair of Audit/Finance Committee, and Strategic Planning Committee.

Michael is a Certified Practicing Accountant



**Graeme Eric Ford - Director - Appointed 28th July 2005**

Committees: Chair of Governance & Business Development and Chair of Human Resources Committees, Audit/Finance Committee and Strategic Planning Committee.

Graeme is a Director of Graeme Ford Motors Pty Ltd



**Natasha Srhoj - Appointed 30th March 2011**

Community involvement- Various organisations and charities; Rotary, Indie Rose Foundation, Mareeba Chamber of Commerce, The Great Wheelbarrow Race, Rotary FNQ Field Days.

Committees: Marketing & Sponsorship and Strategic Planning

Natasha is the Paper Manager at The Express Newspaper



**Charles Edward Khan - Director - Appointed 27th August 2014**

Committees: Marketing & Sponsorship and Strategic Planning Committee.

Charles is a retired Ambulance Officer

# **MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**

**ABN: 53 115 503 930**

**Financial Report For The Year Ended  
30 June 2023**

# MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED

ABN: 53 115 503 930

## Financial Report For The Year Ended 30 June 2023

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**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 30 June 2023.

**Directors**

The names of the directors in office at any time during, or since the end of, the year are:

**Gilbert James Teitzel, Chairman**

Qualifications: Certified Practising Accountant  
Special Responsibilities: Governance & Business Development Committee, Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee

**Gianfranco De Iacovo, Vice Chairman**

Qualifications: Business Owner  
Special Responsibilities: Marketing & Sponsorship Committee and Strategic Planning Committee

**Rhonda Annette Stevens, Secretary**

Qualifications: Administration & Marketing  
Special Responsibilities: Governance & Business Development Committee, Governance Committee, Audit/Finance Committee, Strategic Planning Committee and Public Relations

**Michael Peter Hoskin, Treasurer**

Qualifications: Certified Practising Accountant  
Special Responsibilities: Chair of Audit/Finance Committee and Strategic Planning Committee

**Charles Edward Khan, Director**

Qualifications: Ambulance Officer  
Special Responsibilities: Marketing & Sponsorship Committee and Strategic Planning Committee

**Natasha Barbara Srhoj, Director**

Qualifications: Accounts Manager - The Express  
Special Responsibilities: Marketing & Sponsorship Committee and Strategic Planning Committee

**Graeme Eric Ford, Director**

Qualifications: Automotive Dealer  
Special Responsibilities: Chair of Governance & Business Development Committee, Chair of Human Resources Committee, Audit/Finance Committee and Strategic Planning Committee

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

No directors have material interests in contracts or proposed contracts with the company, except for Gilbert Teitzel, whose firm provides accounting services to the company (refer note 19).

**Review of Operations**

Operations have continued to perform in line with expectations. The profit of the company for the financial year after providing for income tax amounted to:

Year ended 30 June 2023	Year ended 30 June 2022
\$	\$
<u>220,980.00</u>	<u>86,575.11</u>

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**DIRECTORS' REPORT**

**Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

**Principal Activities**

The principal activities of the company during the financial year were providing Community banking services under management rights to operate a franchised branch of Bendigo Bank Limited in Mareeba and Dimbulah. No significant change in the nature of these activities occurred during the year.

No significant change in the nature of these activities occurred during the year.

**Events Subsequent to the End of the Reporting Period**

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect either:

- the operations of the company;
- the results of those operations; or
- the state of affairs of the company in subsequent financial years

**Likely Developments and Expected Results of Operations**

The company expects to maintain the present status and level of operations and hence continue its policy of facilitating banking services to the community.

**Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

**Dividends**

Dividends paid or declared since the start of the financial year are as follows:

- a) A fully franked dividend of \$75,338.38 (\$0.075 per share) was paid during the year as recommended in last year's report.

**Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

The company has indemnified all directors and the manager in respect of liabilities to other persons (other than the company or related body corporate) that may arise from their position as directors or manager of the company, except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of the contract of insurance. The company has not provided any insurance for an auditor of the company or related body corporate.

**Directors' Remuneration/Meeting Attendance Fees**

As disclosed in the Directors' Report dated 6 March 2019, Mareeba & Dimbulah Financial Services Limited have accepted the Director Remuneration/Meeting Attendance Fees Policy carried by shareholders as a motion at the Annual General Meeting held 20 November 2018.

The directors received total remuneration/meeting attendance fees, as follows:

	<b>2023</b>	<b>2022</b>
	\$	\$
Meeting Attendance Fees*	<u>1,250</u>	<u>3,450</u>
	<u>1,250</u>	<u>3,450</u>

The policy applies from 1 December 2018 to each director who is an independent director of the company who can elect to avail themselves of the benefit based on their meeting attendance. These payments are made twice yearly, in arrears, in June and December each year. Any amount paid to directors is dependent on the company meeting criteria based on the company's surplus capital, dividends paid to shareholders and contributions to community projects. The half-year ended 30 June 2019 was the first period that directors have elected to avail themselves of the benefit of this policy.

\*Meeting attendance fees paid in the 2022 financial year relate to meetings held in the 2021 and 2022 financial years.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**DIRECTORS' REPORT**

**Directors' Meetings**

During the year ten (10) directors' meetings were held. Attendances by each director during the year were:

Name of Director	Number Eligible to Attend	Number Attended
Gilbert James Teitzel, Chairman	10	9
Gianfranco De Iacovo, Vice Chairman	10	9
Rhonda Annette Stevens, Secretary	10	9
Michael Peter Hoskin, Treasurer	10	9
Charles Edward Khan, Director	10	9
Natasha Barbara Srhoj, Director	10	5
Graeme Eric Ford, Director	10	6

**Proceedings on Behalf of the Company**

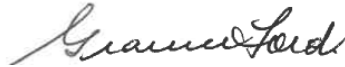
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 4.

The directors' report is signed in accordance with a resolution of the Board of Directors:



Director:

**Graeme Eric Ford, Director**



Director:

**Michael Peter Hoskin, Treasurer**

Dated this

25th

day of

October

2023

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**

**ABN: 53 115 503 930**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS  
ACT 2001 TO THE DIRECTORS OF MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**

In accordance with Section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Mareeba & Dimbulah Financial Services Limited. As the lead audit partner for the audit of the financial report of Mareeba & Dimbulah Financial Services Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



Name of Partner: Megan O'Neill, FCPA  
Subcontractor Auditor

Name of Firm: Cairns Quality Accounting  
Registered Company Auditor No. 419579

Firm Address: Suite 6/254 Mulgrave Road, Westcourt Qld 4870

Dated this 23rd day of November 2023



**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
Revenue	2a, 2b	2,951,488	1,741,275
Administration and general costs		(123,814)	(123,351)
Employment secondment expenses		(910,576)	(909,301)
ATM expenses		(11,340)	(9,789)
Depreciation & Amortisation Expenses		(104,799)	(102,509)
IT Leasing and running costs		(39,991)	(45,419)
Occupancy costs		(65,760)	(59,343)
Marketing development fund expenses		(97,205)	(71,687)
Grants and donations		<u>(1,300,000)</u>	<u>(300,000)</u>
<b>Profit before income tax</b>		<b>298,004</b>	<b>119,876</b>
Income Tax expense	3	<u>(77,023)</u>	<u>(33,301)</u>
<b>Profit for the year</b>		<b><u>220,980</u></b>	<b><u>86,575</u></b>
<b>Total comprehensive income for the year</b>		<b><u>220,980</u></b>	<b><u>86,575</u></b>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached auditor report.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,131,554	1,091,206
Trade and other receivables	7	295,325	182,680
Current tax assets	13	56,550	20,403
Other assets	8	5,649	6,060
<b>TOTAL CURRENT ASSETS</b>		<u>1,489,077</u>	<u>1,300,350</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	81,578	89,851
Deferred tax assets	16	5,025	5,093
Intangible assets	10	206,031	206,031
Right-of-use assets	11	216,184	269,324
<b>TOTAL NON-CURRENT ASSETS</b>		<u>508,818</u>	<u>570,299</u>
<b>TOTAL ASSETS</b>		<u>1,997,895</u>	<u>1,870,649</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	128,719	102,401
Lease liabilities	15	47,335	43,352
Provisions	14	433	1,650
<b>TOTAL CURRENT LIABILITIES</b>		<u>176,487</u>	<u>147,403</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	15	201,507	248,952
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>201,507</u>	<u>248,952</u>
<b>TOTAL LIABILITIES</b>		<u>377,993</u>	<u>396,355</u>
<b>NET ASSETS</b>		<u>1,619,901</u>	<u>1,474,294</u>
<b>EQUITY</b>			
Issued capital	17	1,004,511	1,004,511
Retained earnings		615,390	469,783
<b>TOTAL EQUITY</b>		<u>1,619,901</u>	<u>1,474,294</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached auditor report.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Issued Capital Ordinary \$	Retained Earnings \$	Total \$
<b>Balance at 1 July 2021</b>	17	1,004,511	458,511	1,463,057
<b>Comprehensive Income</b>				
Profit for the year (originally reported)				86,575
Accounting policy change				-
Profit for the year (restated)			86,575	86,575
<b>Total comprehensive income for the year attributable to owners of the entity</b>		-	86,575	173,150
Transfers from retained earnings to general reserves				-
<b>Transactions with shareholders</b>				
Dividends paid or provided for	5		(75,338)	(75,338)
<b>Total transactions with owners, and other transfers</b>		-	(75,338)	(75,338)
<b>Balance at 30 June 2022</b>		1,004,511	469,747	1,560,869
<b>Comprehensive Income</b>				
Profit for the year			220,980	220,980
<b>Total comprehensive income for the year attributable to owners of the entity</b>		-	220,980	220,980
<b>Transactions with shareholders</b>				
Dividends paid or provided for	5		(75,338)	(75,338)
<b>Total transactions with owners and other transfers</b>		-	(75,338)	(75,338)
<b>Balance at 30 June 2023</b>		1,004,511	615,390	1,706,511

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached auditor report.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		2,812,760	1,708,075
Payments to suppliers and employees		(2,605,841)	(1,511,416)
Dividends received		-	-
Interest received/other income		26,084	2,448
Interest paid		(11,774)	(13,999)
Income tax paid		(29,381)	(40,289)
Net cash provided by/(used in) operating activities		<u>191,849</u>	<u>144,820</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	-
Proceeds from sale of investments in equity instruments designated as at fair value through other comprehensive income		-	-
Purchase of property, plant and equipment		(6,878)	(31,026)
Purchase of investments in equity instruments designated as at fair value through other comprehensive income		(25,822)	(4,734)
Loan payments made to related parties		-	-
Loan repayments received from related parties		-	-
Net cash provided by/(used in) investing activities		<u>(32,700)</u>	<u>(35,760)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings - other		-	-
Repayment of borrowings - other		(43,462)	(39,629)
Payment of dividends on ordinary shares		(75,338)	(75,338)
Repayment of lease liabilities		-	-
Dividends Payable		-	(725)
Net cash provided by/(used in) financing activities		<u>(118,801)</u>	<u>(115,692)</u>
Net increase/(decrease) in cash held		40,347	(6,632)
Cash and cash equivalents at beginning of financial year		1,091,206	1,097,838
Cash and cash equivalents at end of financial year	6	<u>1,131,554</u>	<u>1,091,206</u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached auditor report.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

The financial statements cover Mareeba & Dimbulah Financial Services Limited as an individual entity. Mareeba & Dimbulah Financial Services Limited is a company limited by shares, incorporated and domiciled in Australia. The company was controlled in Australia for all of the reporting period and is not consolidated for that period in financial statements lodged with the Australian Securities and Investments Commission (ASIC).

The financial statements were authorised for issue on 25 October 2023 by the directors of the company.

**Note 1 Summary of Significant Accounting Policies**

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The principal activities of the company involve providing Community banking services through a franchise agreement with Bendigo and Adelaide Bank, operating branches in Mareeba and Dimbulah. From these operations, the company aims to provide benefits directly back into the community through community grants and sponsorships, employment and financial returns to shareholders.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The company is incorporated in Australia and has a registered office at 6/81 Byrnes Street, Mareeba QLD 4880.

**Economic Dependency - Bendigo and Adelaide Bank Limited**

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank branches at Mareeba and Dimbulah, Queensland.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name 'Bendigo Bank' and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the Community Bank branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit and debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the Community Bank branches;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- cancellation of company revenue and payment of many operation and administrative expenses;
- the formulation and implementation of advertising and promotional programs;
- sales techniques and proper customer relations.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

**(a) Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the company in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(b) Fair Value of Assets and Liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

**(c) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Property**

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated depreciation for buildings.

In the periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the land and buildings' carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in shareholders' equity. Decreases that offset previous increases of the same asset are recognised against fair value reserves directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

The cost of fixed assets constructed within the company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Leasehold Improvements	2.5 – 40%
Plant and Equipment	2.5 – 40%
Fixtures and Fittings	2.5 – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**(d) Leases**

At inception of a contract, the Company assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Company where the Company is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Company anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Company does not act as a lessor in relation to lease contracts.

**(e) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

**Classification and subsequent measurement**

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are liability is subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

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A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income. A financial liability cannot be reclassified.

*Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to AASB 9.5.5; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies

*Financial assets*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial assets is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principle amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial asset that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings was documented appropriately, so the performance of the financial liability that was part of a company of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of the financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset liability is derecognised.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria needs to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has been expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the company no longer controls the asset. i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party.



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On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity that the company elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

#### **Impairment**

The company recognises a loss allowance in the statement of financial position for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables; and
- loan commitments that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The company use the following approaches to impairment, as applicable under AASB 9:

- the general approach
- the simplified approach
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

#### *General approach*

Under the general approach, at each reporting period, the company assesses whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the company measures the loss allowance of the financial instruments at to an amount equal to the lifetime expected credit losses; and
- there is no significant increase in credit risk since initial recognition, the company measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

#### *Simplified approach*

The simplified approach does not require tracking of changes in credit risk at on every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that result from transactions that are within the scope of AASB 15, and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

#### *Purchased or originated credit-impaired approach*

For a financial asset that is considered to be credit impaired (not purchased or originated credit-impaired on acquisition or originations), the company measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower
- a breach of contract (e.g. default or past due event)
- where a lender has granted to the borrower a concession, due to borrower's financial difficulty, that the lender would not otherwise consider
  
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

#### *Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the company assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the company applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

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A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which its operates.

*Recognition of expected credit losses in financial statements*

At each reporting date, the company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. Amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

**(f) Impairment of Assets**

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation

**(g) Employee Benefits**

Provision is not made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employees are seconded staff of Bendigo and Adelaide Bank Limited and are treated as employees of Bendigo and Adelaide Bank Limited. The company is invoiced each month for a provision to employee entitlements, such as long-service leave, holiday pay and personal leave. Any provision for employee entitlements are accrued by Bendigo and Adelaide Bank Limited.

**(h) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**Provision for dividends**

A provision has been recognised for dividends that have been declared, but are yet to be paid. Refer to Note 5 for further dividend information.

**(i) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(j) Revenue Recognition**

Revenue is recognised based on the amount of consideration expected by an entity after providing goods or services, or the amount of revenue on the transfer of goods and services to a customer. The company follows the following 5-step process when determining whether to recognise

1. Identifying the contract with the customer;
2. Identifying the performance obligations in the contract;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when (or as) the performance obligations are satisfied.

*Revenue calculation*

The franchise agreement with Bendigo and Adelaide Bank Limited provides for three types of revenue earned by the company. First, the company is entitled to 50% of monthly gross margin earned by Bendigo and Adelaide Bank Limited on products and services provided through the company that are regarded as 'day to day' banking business (i.e. 'margin business'). This arrangement also means that if the gross margin reflects a loss (that is, the gross margin is a negative amount), the company effectively incurs, and must bear, 50% of the loss.

The second source of revenue is commission paid by Bendigo and Adelaide Bank Limited on the other products and services provided through the company (i.e. 'commission business'). The commission is currently payable on various specified products and services, including insurance, financial planning, common fund, Sandhurst Select, superannuation, commercial loan referrals, products referred by Rural Bank, leasing referrals, fixed loans and certain term deposits (>90 days).

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The amount of commission payable can be varied in accordance with the Franchise Agreement (which, in some cases, permits commissions to be varied at the discretion of Bendigo and Adelaide Bank Limited). This discretion has been exercised on several occasions previously. For example, in February 2011, Bendigo and Adelaide Bank Limited reduced commission on two core banking products to ensure a more even distribution of income between Bendigo and Adelaide Bank Limited and its Community Bank partners. The revenue share model is subject to regular review to ensure that the interests of Bendigo and Adelaide Bank and Community Bank companies remain balanced.

The third source of revenue is a proportion of the fees and charges (i.e., what are commonly referred to as 'bank fees and charges') charges to customers. This proportion, determined by Bendigo and Adelaide Bank Limited, may vary between products and services and may be amended by Bendigo and Adelaide Bank Limited from time to time.

Interest income is recognised using the effective interest method.

**(k) Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

**(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**(m) New and Amended Accounting Policies Adopted by the Company**

*AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments*

The Company adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 and AASB 141. The adoption of the amendment did not have a material impact on the financial statements.

*AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial*

*AASB 2020-7a* makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

**(n) New and Amended Accounting Policies Not Yet Adopted by the Company**

**AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Company plans on adopting the amendment for the reporting period ending 31 December 2023. The amendment is not expected to have a material impact on the financial statements once adopted.

**Estimates**

The amendment amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. These amendments arise from the issuance by the IASB of the following International Financial Reporting Standards: Disclosure of Accounting Policies

(Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of Accounting Estimates (Amendments to IAS 8).

The Company plans on adopting the amendment for the reporting period ending 31 December 2023. The impact of the initial application is not yet

**AASB 2021-5: Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendment amends the initial recognition exemption in AASB 112: Income Taxes such that it is not applicable to leases and decommissioning obligations – transactions for which companies recognise both an asset and liability and that give rise to equal taxable and deductible temporary differences.

The Company plans on adopting the amendment for the reporting period ending 31 December 2023. The impact of the initial application is not yet

**AASB 2021-7b & c: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections**

AASB 2021-7b makes various editorial corrections to AASB 17 Insurance Contracts which applies to annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

AASB 2021-7c defers the mandatory effective date (application date) of amendments to AASB 10 and AASB 128 that were originally made in AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2025 instead of 1 January 2018.

The Company plans on adopting the amendments for the reporting periods ending 30 June 2024 and 30 June 2026. The impact of initial application is not yet known.

**AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards**

AASB 2022-7 makes editorial corrections to the following standards: AASB 7, AASB 116, AASB 124, AASB 128, AASB 134 and AASB as well as to AASB Practice Statement 2. It also formally repeals superseded and redundant Australian Account Standards as set out in Schedules 1 and 2 to the Standard.

The Company plans on adopting the amendments for the reporting period ending 30 June 2024. The amendment is not expected to have a material impact on the financial statements once adopted.

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**(o) Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Key estimates**

*Impairment*

AASB 9's new impairment model use more forward looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

*(i) Liquidity Management*

Prudent liquidity management implies maintaining sufficient cash and marketable securities and the availability of funding from credit facilities. The company believes that its sound relationship with Bendigo and Adelaide Bank Limited mitigates this risk significantly.

*(ii) Capital Management*

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement in any 12-month period, the funds distributed to shareholders shall not exceed the distribution limit.

The distribution limit is the greater of:

- a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
- b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 can be seen in the Statement of Profit and Loss and Other Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

**Key judgements**

*(i) Critical Accounting Estimates and Judgements*

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimate under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

*(ii) Uncertainty over income tax treatments*

The company has used its best estimate in instances where accounting for income tax treatments that have yet to be accepted by tax authorities, in scenarios where it may be unclear how tax law applies to a particular transaction or circumstance, or whether a taxation authority will accept an entity's tax treatment.

**Note 2 Revenue and Other Income**

The company has recognised the following amounts relating to revenue in the statement of profit or loss:

	Note	2023 \$	2022 \$
Revenue from contracts with customers	2a	2,925,404	1,738,827
Other sources of revenue	2b	26,084	2,448
		<u>2,951,488</u>	<u>1,741,275</u>
Other income	2c	-	-

**(a) The company has disaggregated revenue into various categories in the following table:**

The revenue is disaggregated by products service lines:

Operating Activities	-	-
Gross Margin	2,376,434	1,204,510
Upfront Product Commission	39,369	44,396
Trailer Product Commission	367,065	333,413
Fee Income	123,814	124,762
Market Development Fund	17,500	30,000
Rebates and Refunds	1,223	1,745
	<u>2,925,404</u>	<u>1,738,827</u>

**(b) Other sources of revenue**

Interest received:

— Interest Revenue	26,084	2,448
Total interest received	<u>26,084</u>	<u>2,448</u>
<b>Total other sources of revenues</b>	<u>26,084</u>	<u>2,448</u>

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**Note 3 Tax Expense**

	Note	2023 \$	2022 \$
(a) The components of tax (expense) income comprise:			
Current tax		74,501	29,969
Deferred tax	Note 16	<u>-</u>	<u>-</u>
		<u>74,501</u>	<u>29,969</u>
(b) The prima facie tax on profit before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit before income tax at 25% (2022: 25%)		74,501	29,969
Add:			
Tax effect of:			
– prepaid insurance		103	49
– right-of-use assets		<u>13,285</u>	<u>16,509</u>
		<u>13,388</u>	<u>16,559</u>
Less:			
Tax effect of:			
– rebatable fully franked dividends		-	-
– lease liabilities		10,866	13,227
– recoupment of prior year tax losses not previously brought to account		<u>-</u>	<u>-</u>
		<u>10,866</u>	<u>13,227</u>
Income tax attributable to entity		<u>77,023</u>	<u>33,301</u>
The weighted average effective tax rates are as follows:		25.85%	27.78%

**Note 4 Auditor's Remuneration**

	2023 \$	2022 \$
Remuneration of the auditor:		
– auditing or reviewing the financial statements	8,000	4,000*
	<u>8,000</u>	<u>4,000</u>

The auditor of Mareeba & Dimbulah Financial Services Limited is Cairns Quality Accounting.

\* Note that an invoice for audit of the financial statements for the half-year ended 31 December 2021 was issued after the 2022 financial year for \$4000.00.

**Note 5 Dividends**

	Note	2023 \$	2022 \$
Distributions paid:			
Declared fully franked ordinary dividend of 7.25 cents per share (2022: 7.25 cents per share franked at the tax rate of 25% (2022: 25%))	Note 17	<u>75,338</u>	<u>75,338</u>
Total dividends (cents) per ordinary share for the period		7.5	7.5

On 2 December 2021, dividend payments of \$75,338.38 were made to AFS & Associates, a share registry service employed to distribute dividends. As outlined in the notes to the financial statements dated 30 June 2019, rejected dividend payments from 17 December 2018 of \$3,907.75 were returned to the company when the share registry changed from ShareData.

As at 30 June 2023, \$1,232.50 of these remain outstanding and are recognised as a liability of the company.

**Note 6 Cash and Cash Equivalents**

	Note	2023 \$	2022 \$
Cash at bank and on hand		81,554	91,206
Short-term bank deposits		<u>1,050,000</u>	<u>1,000,000</u>
		<u>1,131,554</u>	<u>1,091,206</u>

**Note 7 Trade and Other Receivables**

	Note	2023 \$	2022 \$
CURRENT			
Trade receivables		295,325	182,680
Total current trade and other receivables		<u>295,325</u>	<u>182,680</u>

**Note 8 Other assets**

	2023 \$	2022 \$
CURRENT		
Prepayments	5,649	6,060
	<u>5,649</u>	<u>6,060</u>

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 9 Property, Plant and Equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Leasehold Improvements		
– At cost	555,164	549,512
– Less: Accumulated depreciation	<u>(474,812)</u>	<u>(459,896)</u>
Total land	<u>80,351</u>	<u>89,615</u>
Plant and equipment:		
– At cost	15,662	14,435
– Less: Accumulated depreciation	<u>(14,435)</u>	<u>(14,200)</u>
	<u>1,227</u>	<u>235</u>
	<u>-</u>	<u>-</u>
Total plant and equipment	<u>1,227</u>	<u>235</u>
Total property, plant and equipment	<u>81,578</u>	<u>89,851</u>

**Note 10 Intangible Assets**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Start-up costs:	170,000	170,000
– At cost	-	-
Franchise fees:		
– At cost	79,506	75,202
– Less: Accumulated amortisation	<u>(56,475)</u>	<u>(52,171)</u>
Renewal process fees:		
– At cost	295,381	273,863
– Less: Accumulated amortisation	<u>(282,381)</u>	<u>(260,862)</u>
Carrying amount	<u>206,031</u>	<u>206,031</u>

**Note 11 Right-of-use Assets**

The company has two operating leases for its branch premises located in Mareeba and Dimbulah.

**Mareeba Branch**

The Mareeba lease commenced in December 2010 for an initial term of five years, with two additional options for a further five years each. The second additional five year options expires in November 2025 with no further options available.

**Dimbulah Branch**

The Dimbulah lease commenced in December 2020 for an initial term of five years, with two additional options for a further five years each.

**i) AASB 16 related amounts recognised in the balance sheet**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Right-of-use assets		
Leased Building	353,461	353,461
Accumulated depreciation	<u>(137,277)</u>	<u>(84,137)</u>
	<u>216,184</u>	<u>269,324</u>
Total right-of-use assets	<u>216,184</u>	<u>269,324</u>
<b>Movement in carrying amounts:</b>		
Leased Buildings:		
Opening net carrying amount	269,324	322,463
Additions		
Depreciation expense	<u>(53,139)</u>	<u>(53,139)</u>
Net carrying amount	<u>216,184</u>	<u>269,324</u>
Total right-of-use assets	<u>216,184</u>	<u>269,324</u>

On adoption of AASB 16, the entity recognised lease liabilities which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The incremental borrowing applied to lease liabilities on recognition from 1 December 2020 was 4.39%, the variable rate currently offered by Bendigo Bank for commercial property security.

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 12 Trade and Other Payables**

	Note	2023 \$	2022 \$
<b>CURRENT</b>			
Unsecured liabilities:			
Trade payables		126,812	100,468
Sundry payables and accrued expenses		1,907	1,933
		<u>128,719</u>	<u>102,401</u>
<b>(a) Financial liabilities at amortised cost classified as trade and other payables</b>			
Trade and other payables			
— Total current		128,719	102,401
— Total non-current		-	-
		<u>128,719</u>	<u>102,401</u>
Less other payables (net amount of GST payable)			
Financial liabilities as trade and other payables		<u>128,719</u>	<u>102,401</u>

**Note 13 Current Tax Assets**

	Note	2023 \$	2022 \$
<b>CURRENT</b>			
GST Payable Control Account		(53,912)	(32,133)
Input Tax Credit Control Account		159,247	54,837
Provision for Income Tax		(38,098)	7,022
Deferred Tax Assets		<u>(10,687)</u>	<u>(9,323)</u>
		<u>56,550</u>	<u>20,403</u>

**Note 14 Provisions**

	Note	2023 \$	2022 \$
<b>CURRENT</b>			
Amounts withheld from salary and wages		433	1,005
Employee entitlements		-	645
		<u>433</u>	<u>1,650</u>

**Note 15 Lease Liabilities**

	2023 \$	2022 \$
<b>CURRENT</b>		
Lease liability	56,780	55,126
Unexpired Interest	(9,445)	(11,774)
Total lease liabilities	<u>47,335</u>	<u>43,352</u>
<b>NON-CURRENT</b>		
Lease liability	210,514	267,404
Make good provision	25,000	25,000
Less Unexpired Interest	(34,008)	(43,453)
Total non-current lease liabilities	<u>201,507</u>	<u>248,952</u>
Total lease liabilities	<u>248,841</u>	<u>292,304</u>

**Note 16 Tax Balances**

	2023	2022
<b>NON-CURRENT</b>		
Deferred tax assets	5,025	5,093
	<u>5,025</u>	<u>5,093</u>

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**Note 17 Issued Capital**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
1,004,511 fully paid ordinary shares	1,004,511	1,004,511
	<u>1,004,511</u>	<u>1,004,511</u>

Ordinary shareholders participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**(b) Rights attached to Shares**

1) Voting Rights

Subject to some limited expectation, each shareholder has the right to vote at a general meeting.

On a show of hands or a poll, each shareholder attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares held. However, where a person attends a meeting in person and is entitled to vote in more than one capacity (for example the person is a shareholder and has also been appointed a proxy for another shareholder) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a shareholder and one vote for each other shareholder that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each shareholder only one vote, regardless of the number of shares held, is to reflect the nature of the company as a community based company, by providing that all shareholders of the community who have contributed to the establishment and ongoing operation of the Community Bank have the same ability to influence the operation of the company.

2) Dividends

Generally, dividends are payable to shareholders in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreement with Bendigo and Adelaide Bank Limit contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below).

3) Transfer

Generally, ordinary shares are freely transferable. However, the directors have a discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the company's constitution and the Corporations Act.

A person must not have a prohibited shareholding interest in the company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or own 10% or more of the shares in the company (the '10% limit').
- In the opinion of the board they do not have a close connection to the community or communities in which the company predominantly carries on business (the 'close connection test').
- Where the person is a shareholder, after the transfer of shares in the company to that person the number of shareholders in the company is (or would be) lower than the base number (the 'base number test'). The base number is 311. As at the date of this report, the company had 475 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest, are suspended.

The board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the company or any voting power in the company, for the purpose of determining whether a person has a prohibited shareholding interest. If the board becomes aware that a shareholder has a prohibited shareholding interest, it must serve a notice requiring the shareholder (or the shareholder's associate) to dispose of the number of shares the board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the board in selling or otherwise dealing with those shares.

In the constitution, members acknowledge and recognise that the exercise of the powers given to the board may cause considerable disadvantage to individual shareholders, but that such a result may be necessary to enforce the prohibition



**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**  
**ABN: 53 115 503 930**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**(c) Capital Management**

The board's policy is to maintain a strong capital base so as to sustain future development of the company. The board of directors monitor the return on capital and the level of dividends to shareholders. Capital is represented by total equity as recorded in the Statement of Financial Position.

In accordance with the franchise agreement in any 12-month period, the funds distributed to shareholders shall not exceed the distribution limit. The distribution limit is the greater of:

- a) 20% of the profit or funds of the franchisee otherwise available for distribution to shareholders in that 12 month period; and
- b) subject to the availability of distributable profits, the relevant rate of return multiplied by the average level of share capital of the franchisee over that 12 month period.

The board is managing the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of the company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2023 can be seen in the Statement of Profit and Loss and Other Comprehensive Income.

There were no changes in the company's approach to capital management during the year.

**Note 18 Contingent Liabilities and Contingent Assets**

There were no contingent liabilities at the date of this report that would materially affect the financial statements.

**Note 19 Director and Related Party Transactions**

No director or related party has entered into a material contract with the company

**Director Disclosures**

Detailed remuneration disclosures are provided in the remuneration report, included as part of the directors' report.

<b>Shareholding</b>	<b>2023</b>	<b>2022</b>
Total number of shares held by directors:	29,094	29,094

**Transactions with related parties:**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

	<b>2023</b>	<b>2022</b>
<b>Payment for services from associates</b>	<b>\$</b>	<b>\$</b>
Millar Teitzel Accountants and Advisors	13,200	17,100

**Note 20 Events after the Reporting Period**

There have been no events after the end of the financial year that would materially affect the financial statements.

**Note 21 Segment Reporting**

The economic entity operates in the service sector where it facilitates Community Bank services in Mareeba and Dimbulah, Queensland pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

**Note 22 Community Enterprise Foundation / Australian Sports Foundation**

The company has over the years deposited into both the Community Enterprise Foundation (CEF) and Australian Sports Foundation (ASF) to be used for distribution to community organisation as part of the company's grant programs.

During the 2023 financial year, \$1,300,000 was granted to Community Enterprise Foundation (2022: \$300,000 - CEF)

**MAREEBA & DIMBULAH FINANCIAL SERVICES LIMITED**


**ABN: 53 115 503 930**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Mareeba & Dimbulah Financial Services Limited, the directors declare that:

1. The financial statements and notes, as set out on pages 5 to 21, are in accordance with the Corporations Act 2001 and:
  - (a) comply with the accounting policies described in Note 1 to the financial statements; and
  - (b) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the company.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors are responsible for the reliability, accuracy and completeness of the accounting records and the disclosure of all materials and relevant information.



Director

*Graeme Eric Ford, Director*



Director

*Michael Peter Hoskin, Treasurer*

Dated this 25th day of October 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of Mareeba and Dimbulah Financial Services Ltd

### Report on audit of the financial statements

#### Opinion

We have audited the financial report of Mareeba and Dimbulah Financial Services Ltd which comprises the statement of profit or loss and other comprehensive income for the year ended 30 June 2023, statement of financial position as at 30 June 2023, statement of changes in equity and statement of cash flows for the year ended on that date, Notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration.

In our opinion, the financial report of Mareeba & Dimbulah Financial Services Limited is in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

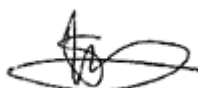
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

### **Cairns Quality Accounting**



Megan O'Neill FCPA  
Registered Company Auditor #419579  
Subcontractor to:



Stacey Jeanes FCPA  
Cairns Quality Accounting

Signed at Cairns on 23 November 2023



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 **Bendigo Bank**